

AWARENESS ABOUT CASH LESS ECONOMY AMONG STUDENTS

K. GIRIJA¹ & M. NANDHINI²

¹Assistant Professor, Department of Commerce CA, K.S.Rangasamy College of Arts and Science (Autonomous),
Tiruchengode, Tamil Nadu, India

²Research Scholar, K. S. Rangasamy College of Arts and Science (Autonomous), Tiruchengode, Tamil Nadu, India

ABSTRACT

The purpose of this study was to examine awareness about the cashless economy among students. The main objectives of this study to know the student's awareness level and knowledge regarding the cashless economy; to find out factors that influencing to use the cashless transactions. Tiruchengode as chooses as the study area and the sample size is 120. This study based on survey method both used primary and secondary data. The statistical tools were used as like Percentage analysis, Rank analysis, t-test, and ANOVA. The major findings of this study are the majority of 63.3% of the respondents prefer to use debit card/ATM, 85% of the respondents are mostly aware of cashless economy, 38.3% of the respondents come to know about cashless economy through media, the main factor influencing the cashless economy "cost-saving" to got the first rank, "social status" to got a second rank; another finding of this study the ANOVA proves that there is no significant relationship between the method of transaction and opinion regards the benefits of cashless economy. It concludes that there is a need of proper infrastructure facility first to make them aware about technology and the emerging trend of economic development to move cashless economy should be taken necessary awareness programme given to the students because students are future India.

KEYWORDS: Awareness about Cashless Economy, Factors Influencing, Benefits & Problems

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INTRODUCTION

"We want to have one mission and target: Take the nation forward – Digitally and Economically" -
Shri Narendra Modi

Prime Minister, Mr. Narendra Modi launched the Programme "Digital India" with a vision to transform India into a digitally empowered nation and creating a cashless, paperless economy. As per the current status of India, only 7% to 8% of all the payments are taking place electronically. A Cashless Economy is an economy in which all types of transactions are carried out through digital means. It includes e-banking (Mobile banking or banking through computers), debit and credit cards, card-swipe or point of sales (POS) machines and digital wallets. At present, India is far behind to other economies with regard to cashless transactions. A statistics have revealed that India has 76.47 billion currency notes in circulation in 2012-13 as compared with 34.5 billion in the U.S. Moreover, various other studies have shown that people prefer to make payments in cash in malls even when they carry credit cards with them. But, the step was taken on Nov 8, 2016, of demonetization has pushed digital and e-transaction to the forefront in India due to depletion in cash. Now, e-banking, e-wallets, and other transaction apps are becoming more prevalent.

STATEMENT OF THE PROBLEM

India has one of the highest cash to gross domestic product ratios in the world, and lubricating economic activity with paper has costs. A cashless economy is one in which all the transactions are done using cards or digital means. The circulation of physical currency is minimal. India uses too much cash for transactions. The number of currency notes in circulation is also far higher than in other large economies. RBI has also issued licenses to open new-age small finance banks and payments banks which are expected to give a push to financial inclusion and bring innovative banking solutions. Things are also falling in place in terms of technology in India. It is possible that a section of people, which has used electronic mode of payment for the first time due to the cash crunch, will continue to transact through this medium, but there are still a number of hurdles in making India a cashless economy.

- First, a large part of the population is still outside the banking net and not in a position to reduce its dependence on cash. According to a 2015 report by PricewaterhouseCoopers, India's unbanked population was at 233 million. Even for people with access to banking, the ability to use their debit or credit card is limited because there are only about 1.46 million points of sale which accept payments through cards.
- Second, about 90% of the workforce, this produces nearly half of the output in the country, works in the unorganized sector. It will not be easy for the informal sector to become cashless, and this part of the economy is likely to be affected the most because of the ongoing currency swap.
- Third, there is a general preference for cash transactions in India. Merchants prefer not to keep records in order to avoid paying taxes and buyers find cash payments more convenient.

SCOPE OF THE STUDY

Earlier days banking transactions were mostly used on the manual transaction. It was used to be a common phenomenon that a person used to move from counter to counter from accountant to clerk, from manager to accountant, vice – versa with ledgers, challans, cheques withdraw from tokens etc., in his hands. However, “computerized bank branches” brought totally unexpected changes in the banking transactions. Within the branch (to the next counter colleague also) transactions are getting exchanged only through computers. These changes have improved the speed of transaction, accuracy in addition to improving the convenience of the customer. The Indian cashless system of payment has been evolving in line with the global payments evolution.

NEED OF THE STUDY

Education institutes around the world have an important role to play in creating and preparing the academic community to either adopt or moderate complex challenges of demonetization drive announced by the government to withdraw high-value currency to eradicate black money, curb counterfeit currency, stop terrorist funding, catch tax evaders to boarder effect on clean and cashless economy. The demonetization has been truly considered to be one of the most disruptive innovations undertaken by India after independence to have financial stability and the ability of future generations to go for cashless economy and digitization. Youth are the pillars of our nation's future. So there is a need to identify whether the young generations especially students are having aware about cashless economy concept. So this study tries to identify the awareness level of students about cashless economy.

OBJECTIVES

- To know the student's awareness level and knowledge regarding the cashless economy
- To find out factors that influencing to use the cashless transactions
- To give suggestions to improve the awareness level of the students about the cashless economy

RESEARCH METHODOLOGY

The research design used in this study is the descriptive survey method. It is based on the structured questionnaire which was conducted to study the awareness about the cashless economy. Both primary and secondary data is used in this study

SOURCES OF DATA

Primary Data: Primary data were collected with the help of a standard questionnaire.

Secondary Data: Collected with the help of online sources, journals, websites etc..

Sample Size: The questionnaires were distributed to 120 students.

Sample Area: Tiruchengode as taken as a sample area

Statistical Tools: Percentage analysis, Rank analysis, t-test, and ANOVA.

LIMITATIONS OF THE STUDY

- Due to the time limit, this study is conducted in Tiruchengode only. So it cannot be generalized for whole India.
- As the study was conducted only student only, the finding cannot be generalized for overall populations' awareness level about the cashless economy.

REVIEW OF LITERATURE

T.Abirami (2017) examined "Response towards Cashless Economy" The main objective of her study is to find the response towards the cashless economy. The sample size was 250 respondents and she used the simple random sampling method. The results indicate that the majority of them are already aware of the policy and majority agree that the policy will help to fight against corruption/money laundering and reduce the risk of carrying cash and can also faster economic growth.

Meenakshi, (2015) examined "an exploration on cashless society imperatives and perception of people regarding the concept of cashless society in India". The main objective of the study was to know the awareness and knowledge regarding the cashless movement and the benefits of cashless movement in India. A sample size of 200 was selected using the Random sampling procedure. The responses from the respondents were collected and analyzed using the simple percentage procedure. Their finding showed those respondents were hesitating to use electronic payment methods as they felt it unsafe. Finally concluded that the most transactions might now be settled electronically, people could have much less need to transport around with cash and therefore, lack of cash, theft and armed theft would be extensively reduced.

Paapu B, Metri & Doddayallappa Jindappa, (2017) examined about “Impact of cashless economy on the common man in India” The main objective of their study to know the concept of cashless economy and to know the need for cash and challenges to go to digital. The low literacy rates in rural India, along with the lack of infrastructures like internet access and Power make things extremely difficult for people to adopt e-transaction route. So the rushing the economy into a cashless state without proper planning and infrastructure will be disastrous and its consequences will be everlasting. In their study concluded that also, important to note that if people start flocking to alternate currencies, governments could wind up losing much of their power to influence economic issues such as inflation and unemployment. The government can't set an interest rate for institutions lending in a currency it doesn't control.

ANALYSIS AND INTERPRETATION

Table 1: Demographic Profile

| Variables | Classifications | Respondents | Percentage |
|---------------------------|--------------------|-------------|------------|
| Gender | Male | 68 | 56.7 |
| | Female | 52 | 43.3 |
| | Total | 120 | 100 |
| Age | Below 20 | 48 | 40.0 |
| | 21-23 | 50 | 41.7 |
| | 24-26 | 12 | 10.0 |
| | Above 26 | 10 | 8.3 |
| | Total | 120 | 100 |
| Educational Qualification | UG | 50 | 41.7 |
| | PG | 48 | 40.0 |
| | M.Phil/PhD | 22 | 18.3 |
| | Total | 120 | 100 |
| Family Monthly Income | Below Rs.10000 | 24 | 20.0 |
| | Rs.10001-Rs.15000 | 60 | 50.0 |
| | Rs.15001-Rs.20000 | 22 | 18.3 |
| | Above Rs.20000 | 14 | 11.7 |
| | Total | 120 | 100 |
| Method of Transaction | Credit card | 8 | 6.7 |
| | Debit card/ATM | 76 | 63.3 |
| | Mobile Banking | 20 | 16.7 |
| | Net Banking | 16 | 13.3 |
| | Total | 120 | 100 |
| Aware of Cashless Economy | Yes | 102 | 85.0 |
| | No | 18 | 15.0 |
| | Total | 120 | 100 |
| Come to know CLE | Media | 46 | 38.3 |
| | Friends | 44 | 36.7 |
| | Curriculum | 16 | 13.3 |
| | Seminar/Conference | 14 | 11.7 |
| | Total | 120 | 100 |

Source: Primary Data

From the above table reveals that 56.7% of the respondents are male, 41.7% of the respondents belong to the age group of 21-23 years, 41.7% of the respondents were studying UG, 50% of the respondents family monthly income flow between Rs.10000-Rs.15000, 63.3% of the respondents prefer to use debit card/ATM, 85% of the respondents are mostly aware of the cashless economy, 38.3% of the respondents come to know about cashless economy through media.

RANK ANALYSIS

Table 2: Factors Influencing the Cashless Economy

| Factors | Mean Score | Rank |
|---------------|------------|------|
| Time Saving | 2.33 | 5 |
| Social Status | 3.45 | 2 |
| Speed | 2.50 | 4 |
| Cost Saving | 3.53 | 1 |
| Convenient | 3.18 | 3 |

Source: Primary Data

From the above table reveals that main factor influencing the cashless economy “cost-saving” to got a first rank, “social status” to got a second rank, “convenient” to got a third rank, “speed” to got a fourth rank and “Time saving” to got a last rank of the factors influencing the cashless economy.

T-TEST

Hypothesis

H0: There is no significant difference between gender and opinion regards the problems of the cashless economy

H1: There is a significant difference between gender and opinion regards the problems of the cashless economy.

Table 3: Gender and Opinion Regards the Problems of Cashless Economy

| Gender | N | Mean | SD | F | Sig. |
|--------|----|---------|---------|-------|------|
| Male | 68 | 19.3529 | 2.94104 | 1.505 | .222 |
| Female | 52 | 19.9231 | 2.67043 | | |

Source: Primary Data

From the above reveals that p-value (.222) is more than the significant value (0.05). Hence the null hypothesis is accepted. So there is a no significant difference between gender and opinion regards the problems of the cashless economy.

ANOVA

Hypothesis

H0: There is no significant difference between the method of transaction and opinion regards the benefits of cashless economy

H1: There is a significant difference between the method of transaction and opinion regards the benefits of cashless economy.

Table 4: Method of Transaction and Benefits Regards of Cashless Economy

| Factors | Sum of Squares | Df | Mean Square | F | Sig. |
|----------------|----------------|------------|-------------|------|------|
| Between Groups | 14.430 | 3 | 4.810 | .644 | .588 |
| Within Groups | 865.937 | 116 | 7.465 | | |
| Total | 880.367 | 119 | | | |

Source: Primary Data

From the above table reveals that P value (.588) is more than the significant value (0.05). Hence the null hypothesis is accepted. So there is no significant relationship between the method of transaction and opinion regards the benefits of cashless economy.

FINDINGS

- The majority of 56.7% of the respondents are male, 41.7% of the respondents belong to the age group of 21-23 years, and 41.7% of the respondents were studying UG.
- The majority 50% of the respondents family monthly income flow between Rs.10001-Rs.15000.
- The majority of 63.3% of the respondents prefer to use debit card/ATM, 85% of the respondents are mostly aware of the cashless economy, 38.3% of the respondents come to know about cashless economy through media.
- The main factor influencing the cashless economy “cost-saving” to got the first rank, “social status” to got a second rank
- The t-test is proving that there is a no significant difference between gender and opinion regards the problems of the cashless economy.
- The ANOVA proves that there is no significant relationship between the method of transaction and opinion regards the benefits of cashless economy.

SUGGESTIONS

The Government should be organized intensive awareness programme conducted about the benefits and need of cashless transaction or digital payments to students of colleges, higher educational intuitions. The female students are behind in using and adopting cashless transaction compare than male students is low, so the various banks should organize awareness programme to female students and also motivate the female student's savings to account holders to using more on the cashless transaction. The government should continue and give some incentive benefits to those are using regular digital payments because it will motivate not only the regular user but also new user.

CONCLUSIONS

The cashless transaction is not only requirements but also emerging need of today for transparent economic development. It would help institutions to produce a clean economy and responsible students in the development of financial stable decision-making workforces capable of building clean economies and societies. So there is a need for proper infrastructure facility first to make them aware of technology. Finally, it concluded that there the emerging trend of economic development to move cashless economy should be taken necessary awareness programme given to the students because students are future India.

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